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Kentucky Revenue Cabinet

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TAX AMNESTY RECEIPTS EXCEED \$79 MILLION COLLECTIONS SURPASS 1988 AMNESTY PROGRAM

(Frankfort, Oct. 11, 2002) - The Kentucky Revenue Cabinet today announced that it has received more than \$79,870,000 in unpaid back taxes as a result of the Tax Amnesty program. The program ran August 1 through September 30 and was projected to raise \$20 million.

"We are delighted with results of the Tax Amnesty program," Governor Paul E. Patton said. "These funds are badly needed to maintain vital state government services without making significant cuts. When taxes go unpaid, everyone suffers. Kentuckians recognized that Amnesty was a great opportunity for a fresh start," said Governor Patton.

In a press conference held Friday in the state's Capitol, Governor Patton also expressed thanks to the General Assembly for the passage of the legislation establishing the program and to Revenue Cabinet Secretary Dana Mayton and her staff for their commitment and hard work in ensuring the success of the Amnesty program. "To exceed the \$61.1 million collected during the 1988 Amnesty program is a real tribute to the outstanding work of the Revenue Cabinet," Governor Patton said.

More than 16,800 individuals and businesses have participated in the Tax Amnesty program: 8,950 individuals and 7,891 businesses. More than \$69,868,000 or 87% has come from businesses and more than \$10,000,000 or 13% has come from individuals. More than 38,000 tax bills have been resolved.

"The majority of the dollars have been counted, however, a final total will not be available for several months due to the additional Amnesty applications that remain to be processed and any associated refund adjustments," said Revenue Secretary Dana B. Mayton.

Payments have come from taxpayers in 49 states, the District of Columbia, and 6 foreign countries. Payments from taxpayers outside Kentucky total more than \$45,000,000 or 56% of receipts to date. "Most of the out-of-state payments have come from multi-state corporations doing business in Kentucky," Mayton said. The largest single payment was more than \$6 million while the smallest was \$0.01.



Certain property taxes, eligible for Amnesty for the first time, have brought in more than \$6,705,000 of which approximately \$2,699,000 will be returned to local taxing jurisdictions including school districts. "Property taxes were a pleasant surprise and we are particularly pleased to be sending some badly needed funding back to the locals," said Mayton.

Amnesty payments were received from all 120 Kentucky counties. Jefferson County led the way with more than \$12,333,000 from 3,152 participants. Fayette County was second with more than \$4,772,000 from 1,300 participants. At least \$1,500 was received from each of the 120 counties.

"The Revenue Cabinet is very pleased by the tremendous response to the Tax Amnesty program," said Mayton. "It was a win-win-win situation. The taxpayer won, state government won and our citizens in need of vital services won," said Mayton.

Sales tax leads in receipts with approximately \$25,725,000, followed by corporation license with more than \$16,677,000 and corporation income with more than \$15,189,000. Individual income tax receipts are \$8,087,000.

During the program, the Cabinet's Amnesty website received more than 132,000 hits while the Amnesty toll-free number received more than 26,500 calls. In citing reasons for the success of the Amnesty program, Secretary Mayton said, "The staff of the Revenue Cabinet committed themselves 110% to the Amnesty program and they deserve the credit for its success. Additionally, we had great cooperation and assistance from tax practitioners, attorneys and the media. We also had an excellent advertising and public relations campaign. We especially want to thank Paul Schultz Advertising and their sub-contractor ASPECTx both of Louisville for their outstanding work in getting the word out to the public."

Taxpayers participating in the Tax Amnesty program will receive notification from the Revenue Cabinet that their applications have been accepted. "We are asking Amnesty participants to be patient. The overwhelming response to the program means that it will take some time to notify participants that their Amnesty applications have been accepted. Taxpayers should begin receiving notifications in November," said Mayton.

Secretary Mayton pointed out that, "Increased penalties and new compliance programs are being implemented now that Amnesty is over. These new programs will help ensure that all taxpayers are paying their fair share."

NOTE: For Amnesty statistics for particular counties, call Alex Rose at 502-564-9544 or visit www.revenue.ky.gov the Revenue Cabinet's website.

